

**BATON ROUGE COMMUNITY COLLEGE
FOUNDATION**

(A NON-PROFIT ORGANIZATION)

FINANCIAL STATEMENTS

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/23/05



8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Table of Contents

June 30, 2004

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statement of Activities – June 30, 2004	3
Statement of Activities – June 30, 2003	4
Statements of Cash Flows	5
Notes to Financial Statements	6
INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION	10
Statement of Functional Expenses – June 30, 2004	11
Statement of Functional Expenses – June 30, 2003	12



Certified
Public
Accountants

Business
Advisors

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Trustees
Baton Rouge Community College Foundation

We have audited the accompanying statements of financial position of Baton Rouge Community College Foundation (a nonprofit organization) as of June 30, 2004 and 2003, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Baton Rouge Community College Foundation as of June 30, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PROVOST, SALTER, HARPER & ALFORD, LLC

Provost, Salter, Harper & Alford, LLC

January 28, 2005

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Statements of Financial Position**June 30, 2004 and 2003**

ASSETS	2004	2003
Current Assets		
Cash	\$ 141,846	\$ 140,870
Prepays and other	1,813	400
Total current assets	143,659	141,270
Cash-Endowed Professorship for Leadership Excellence		
Original contribution	100,000	100,000
Accumulated interest income	1,242	587
Total Cash-Endowed Professorship for Leadership Excellence	101,242	100,587
Total Assets	\$ 244,901	\$ 241,857
LIABILITIES AND NET ASSETS		
Liabilities		
Chancellor supplemental compensation payable	\$ 10,000	\$ -
Due to BRCC	12,000	12,000
Funds held in custody	60,000	60,000
Total liabilities	82,000	72,000
Net Assets		
Unrestricted net assets (deficit)	(36,286)	7,155
Temporarily restricted net assets	159,187	122,702
Permanently restricted net assets	40,000	40,000
Total net assets	162,901	169,857
Total Liabilities and Net Assets	\$ 244,901	\$ 241,857

BATON ROUGE COMMUNITY COLLEGE FOUNDATION**Statement of Activities****Year Ended June 30, 2004**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Contributions	\$ 14,345	\$ 102,060	\$ -	\$ 116,405
Interest income	720	-	-	720
Miscellaneous income	2,273	-	-	2,273
Net assets released from restrictions	65,575	(65,575)	-	-
Total Revenue and Support	82,913	36,485	-	119,398
Expenses				
Program services				
Scholarships	28,205	-	-	28,205
Chancellor supplemental compensation	10,000	-	-	10,000
College support	80,162	-	-	80,162
Total program services	118,367	-	-	118,367
General and administrative	5,182	-	-	5,182
Fund raising	2,805	-	-	2,805
Total Expenses	126,354	-	-	126,354
Change in Net Assets	(43,441)	36,485	-	(6,956)
Net Assets				
Beginning of year	7,155	122,702	40,000	169,857
End of year	\$ (36,286)	\$ 159,187	\$ 40,000	\$ 162,901

BATON ROUGE COMMUNITY COLLEGE FOUNDATION**Statement of Activities****Year Ended June 30, 2003**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and Support				
Contributions	\$ 95,745	\$ 147,589	\$ -	\$ 243,334
Interest income	627	-	-	627
Miscellaneous income	2,073	-	-	2,073
Net assets released from restrictions	61,997	(61,997)	-	-
Total Revenue and Support	160,442	85,592	-	246,034
Expenses				
Program Services				
Scholarships	12,756	-	-	12,756
Chancellor supplemental compensation	10,000	-	-	10,000
College support	64,117	-	-	64,117
Total program services	86,873	-	-	86,873
General and Administrative	4,485	-	-	4,485
Fund raising	7,056	-	-	7,056
Total Expenses	98,414	-	-	98,414
Change in Net Assets	62,028	85,592	-	147,620
Net Assets				
Beginning of year as restated	(54,873)	37,110	40,000	22,237
End of year	\$ 7,155	\$ 122,702	\$ 40,000	\$ 169,857

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Statements of Cash Flows**Years Ended June 30, 2004 and 2003**

	2004	2003
Cash Flows From Operating Activities		
Change in net assets	\$ (6,956)	\$ 147,620
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Decrease) increase in payables	10,000	(9,301)
(Increase) in prepaids and other	(1,412)	-
(Increase) in endowment accumulated income	(656)	(586)
(Decrease) in due to Baton Rouge Area Foundation	-	(39,106)
Net Cash Provided By Operating Activities	<u>976</u>	<u>98,627</u>
Cash		
Beginning of year	<u>140,870</u>	<u>42,243</u>
End of year	<u>\$ 141,846</u>	<u>\$ 140,870</u>

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

June 30, 2004

1. Organization and Summary of Significant Accounting Policies

Organization. In April 1998, Baton Rouge Community College Foundation (the Foundation) was established. The Foundation was developed to provide financial and human resources for academic and vocational education programs for the Baton Rouge Community College (the College). The Foundation will provide this support through contributions from individuals, business and professional groups, and philanthropic organizations.

Basis of Accounting. The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned or any related expenses for general or specific purposes.

Non-Monetary Transactions – The College provides the use of their facilities, office equipment and personnel at no cost to the Foundation.

Cash and Cash Equivalents. For purposes of reporting the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Foundation's cash accounts are maintained in a commercial bank located in Baton Rouge, Louisiana. The total amount on deposit in that bank exceeded the federally insured limits at June 30, 2004 by \$120,918.

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements, Continued

June 30, 2004

Fund Raising Costs – The Foundation incurs fund-raising costs to persuade potential donors to make contributions to the Foundation. These costs are expensed as incurred.

Donated Services. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No professional services were donated in 2004 or 2003.

Income Taxes. The Foundation is exempt from Federal income taxes under § 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation, within the meaning of § 509(a) of the Code.

Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

2. Lease and Related Party

The Foundation leased an automobile from a company partially owned by a member of the Board of Directors of the Foundation. The monthly lease payments were \$532 and the lease expired in November 2003. The automobile was used by the previous Chancellor until he resigned in December 2002 and was then sub-leased to him for \$332 per month on a month-to-month basis. During the year ended June 30, 2003, the Foundation paid \$6,383 in lease payments and received \$3,983 from the sub-lease. During the year ended June 30, 2004, the Foundation paid \$2,128 in lease payments and received \$1,328 from the sub-lease. As of June 30, 2004, this lease is no longer an obligation of the Foundation.

3. Due to BRCC

The Foundation incurred a liability in 2002 for payments made by the College. The Board of Trustees of the Foundation has agreed to repay \$12,000 by remitting \$1,000 annually for the next 12 years, beginning July 1, 2005.

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements, Continued

June 30, 2004

4. Chancellor Compensation

The Chancellor of Baton Rouge Community College, in accordance with Louisiana Community and Technical College System (LCTCS) Board of Supervisors approval, receives a salary supplement derived from funds of the Foundation and annual interest accrued from the Sean and Jennifer Eplett Reilly Chancellor's Endowed Professorship for Leadership Excellence at the Baton Rouge Community College, which is maintained by the Foundation. In 2003, the Board of Trustees of the Foundation approved an annual disbursement of \$10,000 to be made to the Chancellor.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets activity follows:

	College Support	Process Technology	College Scholarships	Baseball Development	Total
Beginning Balance July 1, 2002 \$	4,477	\$ -	\$ 7,633	\$ 25,000	\$ 37,110
Contributions	25,076	82,580	39,933	-	147,589
Released from Restrictions	20,230	27,259	14,508	-	61,997
Ending Balance June 30, 2003 \$	<u>9,323</u>	<u>\$ 55,321</u>	<u>\$ 33,058</u>	<u>\$ 25,000</u>	<u>\$ 122,702</u>

	College Support	Process Technology	College Scholarships	Baseball Development	Total
Beginning Balance July 1, 2003 \$	9,323	\$ 55,321	\$ 33,058	\$ 25,000	\$ 122,702
Contributions	61,338	5,054	35,668	-	102,060
Released from Restrictions	44,374	5,138	14,697	1,366	65,575
Ending Balance June 30, 2004 \$	<u>26,287</u>	<u>\$ 55,237</u>	<u>\$ 54,029</u>	<u>\$ 23,634</u>	<u>\$ 159,187</u>

6. Permanently Restricted Net Assets and Funds Held in Custody

On May 31, 2002, the Foundation established the Sean and Jennifer Eplett Reilly Chancellor's Endowed Professorship for Leadership Excellence. The endowment was established with \$60,000 from the Louisiana Educational Quality Support Fund which is considered "funds held in custody" and a \$40,000 contribution of private funds, which are considered to be permanently restricted. These funds are required to be deposited in a separate bank account. The corpus of \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the Endowment agreement.

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements, Continued

June 30, 2004

7. Correction of an Error

During the year ended June 30, 2004, the Foundation discovered an error in previously reported expenses paid by the College that were for services rendered to the Foundation. The Foundation did not pay this expense as of June 30, 2002. The beginning net assets deficit at June 30, 2002 was restated to correct that error. For the year ended June 30, 2002, the liabilities and unrestricted net asset deficit increased \$12,000 as a result of this correction.

Unrestricted net assets (deficit) as previously reported June 30, 2002	\$ (42,873)
Unrecorded obligation to BRCC	<u>(12,000)</u>
Unrestricted net assets (deficit) as restated June 30, 2002	<u>\$ (54,873)</u>



Certified
Public
Accountants

Business
Advisors

INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Trustees
Baton Rouge Community College Foundation

Our report on our audit of the basic financial statements of Baton Rouge Community College Foundation (a nonprofit organization) as of June 30, 2004 and 2003 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PROVOST, SALTER, HARPER & ALFORD, LLC

Provost, Salter, Harper & Alford, LLC

January 28, 2005

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Statement of Functional Expense

Year Ended June 30, 2004

	Program Services					
	Scholarships	Chancellor Supplemental Compensation	College Support	General and Administrative	Fund Raising	
Advertising	\$ -	\$ -	\$ 1,714	\$ -	\$ -	-
Accounting	-	-	-	1,409	-	-
Automobile expense	-	-	3,833	-	-	-
Awards	-	-	5,715	-	-	-
Convocation	-	-	3,723	-	-	-
Chancellors compensation	-	10,000	-	-	-	-
Dues and subscriptions	-	-	2,421	-	-	-
Travel and meals	-	-	21,006	1,202	-	-
Instructor	-	-	3,525	-	-	-
Insurance	-	-	-	438	-	-
Meetings	-	-	3,992	-	-	-
Memberships	-	-	2,592	-	-	-
Miscellaneous	-	-	9,050	1,965	2,167	-
Postage and delivery	-	-	37	168	-	-
Printing and reproduction	-	-	-	-	638	-
Scholarships	28,205	-	-	-	-	-
Special events	-	-	17,257	-	-	-
Student recognition	-	-	5,297	-	-	-
	\$ 28,205	\$ 10,000	\$ 80,162	\$ 5,182	\$ 2,805	

BATON ROUGE COMMUNITY COLLEGE FOUNDATION

Statement of Functional Expense

Year Ended June 30, 2003

	Program Services			General and Administrative	Fund Raising
	Scholarships	Chancellor Supplemental Compensation	College Support		
Advertising	\$ -	\$ -	\$ 91	\$ -	\$ 1,087
Accounting	-	-	-	2,750	-
Automobile expense	-	-	6,383	-	-
Awards	-	-	11,802	-	-
Convocation	-	-	1,751	-	-
Chancellors compensation	-	10,000	-	-	-
Engineering service	-	-	17,310	-	-
Travel and meals	-	-	7,069	-	698
Meetings	-	-	9,656	-	5,271
Memberships	-	-	1,832	-	-
Miscellaneous	-	-	2,383	1,352	-
Postage and delivery	-	-	-	383	-
Scholarship	12,756	-	-	-	-
Special events	-	-	210	-	-
Workshops	-	-	5,630	-	-
	<u>\$ 12,756</u>	<u>\$ 10,000</u>	<u>\$ 64,117</u>	<u>\$ 4,485</u>	<u>\$ 7,056</u>